

## Message Text

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PAGE 01 CARACA 12108 091248Z

44

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 PC-01 OMB-01 CIEP-01 CIAE-00

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R 071500Z DEC 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 6879

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E.O. 11652: N/A

TAGS: PFOR VE

SUBJ: ADDRESS OF PRESIDENT PEREZ COMMEMORATING BATTLE OF AYACUCHO

1. AT SOLEMN CEREMONY IN SLAON ELIPTICO OF NATIONAL CONGRESS  
ATTENDED BY ALL MEMBERS OF THE CONGRESS, THE GOVERNMENT, FOUR EX-  
PRESIDENTS AND THE DIPLOMATIC CORPS, PRESIDENT CARLOS ANDRES PEREZ  
MADE HIS LONG AWAITED POLICY SPEECH OSTENSIBLY TO COMMEMORATE  
THE SESQUICENTENNIAL OF THE BATTLE OF AYACUCHO.

2. EMBASSY WILL REPORT IN DETAIL HIS REFERENCES TO NATIONALIZATION  
OF IRON MINING CONCESSIONS. FOR ME, WHO WAS AWARE OF NEGOTIATIONS  
BETWEEN IRON COMPANIES AND GOV, THERE WAS NOTHING NEW IN WHAT  
THE PRESIDENT SAID ALTHOUGH AS WE HAD ANTICIPATED HE DRESSED IT UP IN  
NATIONALISTIC GARMENTS. THE PRESIDENT ANNOUNCED THAT IRON CONCESSIONS  
WOULD BE TERMINATED AS OF JANUARY 1, 1975, AND THAT COMPANIES WOULD  
BE EXPROPRIATED IF THEY DID NOT FULFILL TERMS OF AN AGREEMENT WORKED  
OUT WITH HIS PLENIPOTENTIARIES, MINISTER OF INTERNATIONAL ECONOMIC  
AFFAIRS PEREZ GUERRERO AND THE CHAIRMAN OF THE CORPORACION DE  
GUAYANA. A SPECIAL COMMISSION WILL BE SET UP TO INSURE COMPLIANCE  
WITH TERMS OF THE SETTLEMENT. PRESIDENT SAID THAT HIS DECREE  
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PAGE 02 CARACA 12108 091248Z

NATIONALIZING IRON MINES WOULD BE SUBMITTED TO CONGRESS FOR ITS

RATIFICATION.

3. PEREZ THEN WENT ON TO SAY THAT VENEZUELA'S "SECOND BATTLE OF AYACUCHO" WAS UNDERWAY AS EPITOMIZED BY NATIONALIZATION OF THE IRON ORE RESOURCES AND THE FORTHCOMING NATIONALIZATION OF PETROLEUM. HE ADDED THAT ONCE THESE VICTORIES HAD BEEN WON THERE WERE OTHERS YET TO COME AND ALLUDED TO MULTINATIONAL CORPORATIONS, TO HIS LETTER OF SEPTEMBER 19 TO PRESIDENT FORD AND TO HIS LETTER TO THE PRESIDENT OF THE RECENT WORLD FOOD CONFERENCE AT ROME. HE EXPANDED ON THE FAMILIAR THEME OF THE RAW MATERIALS PRODUCING COUNTRIES HAVING A RIGHT TO RECEIVE MORE JUST PAYMENT FOR THEIR RAW MATERIALS AND STRESSED HOW IN THE CASE OF VENEZUELA IT WOULD FABRICATE ITS OWN MINERAL RESOURCES IN NEW INDUSTRIES.

4. ON THE ANTICIPATED QUESTION OF CUBA, PEREZ STATED THAT THERE HAD BEEN NO DIPLOMATIC DEFEAT AT THE QUITO CONFERENCE BUT ON THE CONTRARY A "VICTORY." HE STATED THAT THE TWELVE GOVERNMENTS WHICH HAD VOTED FOR LIFTING THE SANCTIONS AGAINST CUBA AND FOR LIBERTY OF ACTION SO FAR AS DIPLOMATIC RELATIONS WERE CONCERNED SHOULD HAVE THE RIGHT TO CARRY OUT NEW POLICIES. HOWEVER, ALTHOUGH EVERYONE EXPECTED HIM TO GO ON AND ANNOUNCE VENEZUELA'S RECOGNITION OF CUBA, PEREZ HESITATED AND MARCHED HIS TROOPS BACK DOWN THE HILL. TO PUZZLED DIPLOMATS HE LEFT THE IMPRESSION THAT HE STILL FELT THAT VENEZUELA SHOULD RETAIN ITS LIBERTY OF ACTION BUT THAT HE IS NOT YET READY TO TAKE THE FINAL STEP.

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## Message Attributes

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